

2019 Utah Rates

Individual and Small Group

Smooth Sailing



A vertical decorative image on the left side of the slide showing a sailboat with a white sail on a blue body of water under a clear sky.

Disclaimer

- Determining the “average rate increase” over the prior year is non-trivial and has many interpretations. The calculation is complicated by:
 - Discontinued plans and membership crosswalked from one plan to another
 - The granularity of the enrollment data
 - Required benefit changes to keep within the -4/+2% de minimis Actuarial Value calculator metal ranges
 - The Uniform Modification rules (benefit changes that are small enough to say the plan is the same plan as last year and not a “new” plan)
 - Changes in provider contracts that can affect the rates independently of the benefits
 - Changing assumptions in the relativity of the cost of care between rating areas
 - Differing plan availability by county
 - CSR funding (or non-funding)
 - A hundred other things that won’t fit on this slide
- Information in these slides is accurate as of 10/24/2018, but may be subject to change

2019 Average Rate Increase

Uses URRT membership combined with consumer justification and rate filing information about the size of the rate increase to calculate the average market increases

Individual ~ -1.5%

Catastrophic	-0.7%	.
Bronze	-1.1%	•
Silver	-2.1%	•
Silver On	-2.5%	•
Silver Off	9.9%	•
Gold	7.0%	.
Platinum	N/A	

Small Group ~ 0.0%

Catastrophic	N/A	
Bronze	0.6%	•
Silver	0.2%	•
Gold	0.3%	•
Platinum	-10.9%	.

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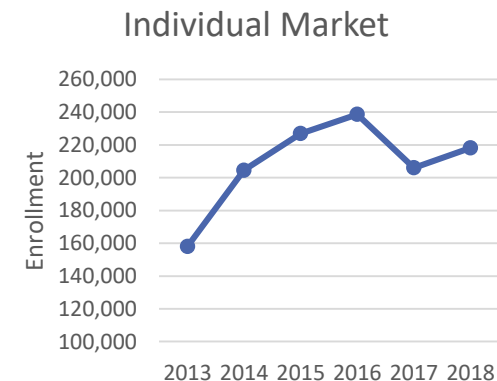
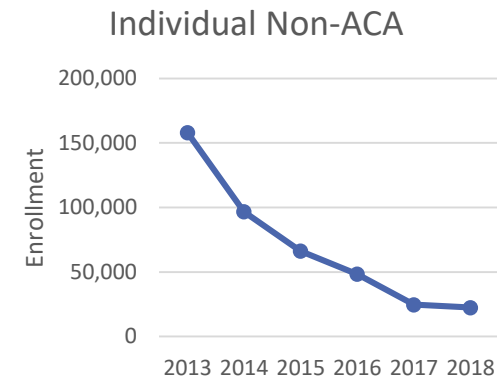
Rate increase impacts

- Health insurer tax removed (-2 to -4%)
- Medical trend (8-9%)
- Silver loading on exchange (-10%)
- Removal of individual mandate penalty (small increase)
- Short term limited duration plans (small increase)
 - Likely will be a bigger impact in 2020
- Association health plans (small increase)

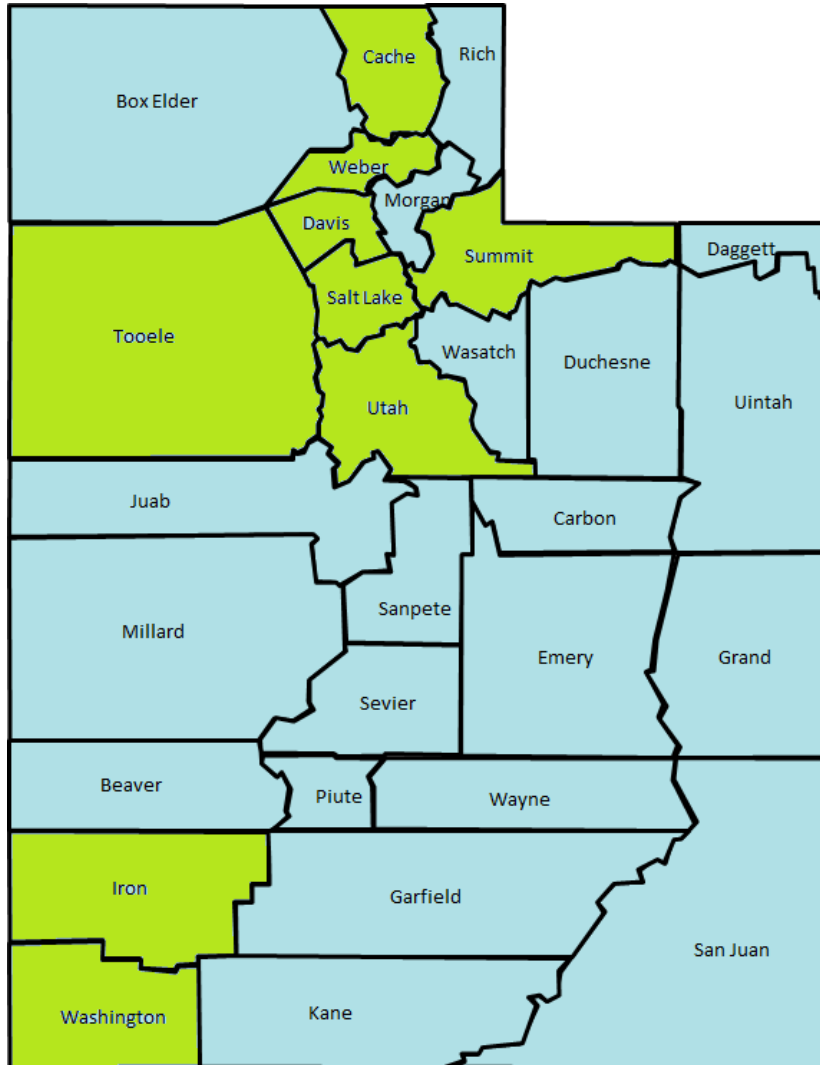
Enrollment: Individual

	Individual Market					
	2013	2014	2015	2016	2017	2018
Grandfathered / Transitional Off-Exchange	158,047	96,680	66,237	48,366	24,691	22,520
Total Non-ACA	158,047	96,680	66,237	48,366	24,691	22,520
ACA Compliant Plans Off-Exchange	NA	32,030	45,256	40,735	29,679	25,215
Federal Health Exchange (FFM)	NA	75,891	115,434	149,536	151,622	170,397
Total ACA Compliant	NA	107,921	160,690	190,271	181,301	195,612
Total	158,047	204,601	226,927	238,637	205,992	218,132
Increase Over Prior Year		46,554	22,326	11,710	-32,645	12,140

10% of Individual Market is Non-ACA



On Exchange – Individual

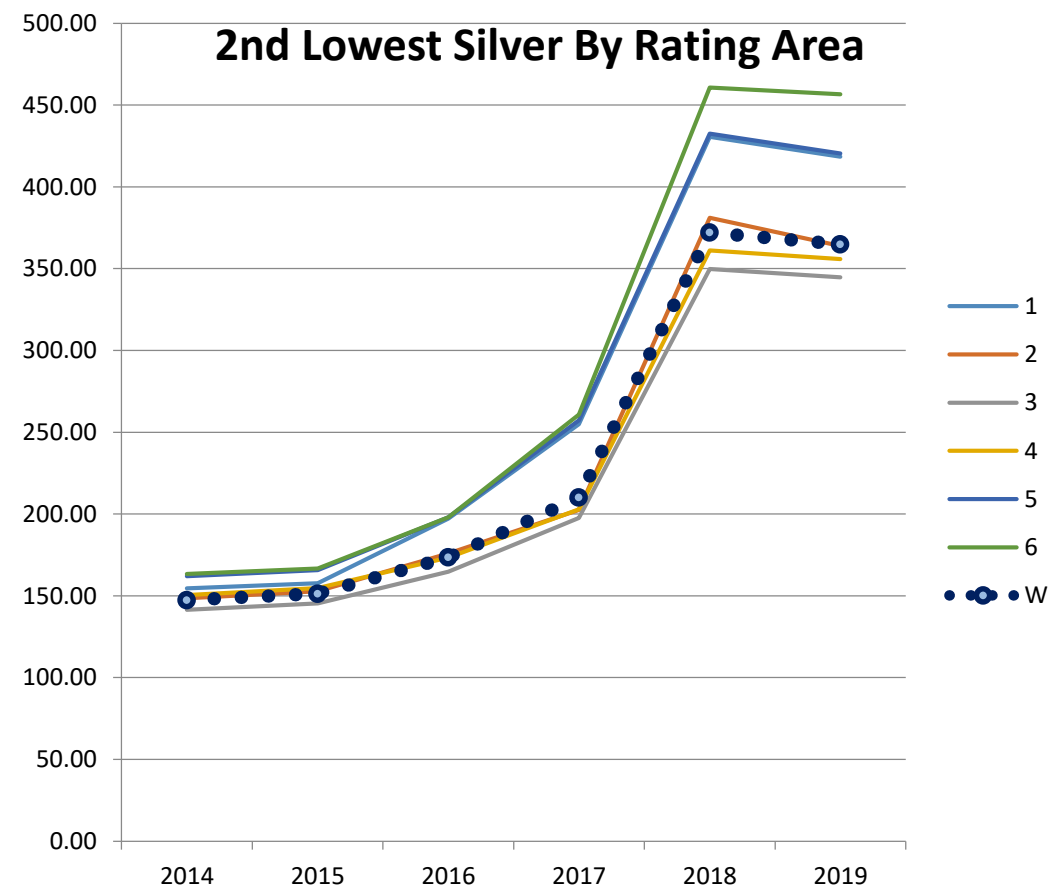


Number of carriers per county

- Green counties have 3 carriers
 - Molina
 - UofU Health Plans
 - SelectHealth
- Blue counties have 2 carriers
 - UofU Health Plans
 - SelectHealth

2nd Lowest Silver*

County	2018	2019	Increase
Beaver	460.74	456.69	-0.9%
Box Elder	417.44	391.98	-6.1%
Cache	430.56	418.37	-2.8%
Carbon	460.74	456.69	-0.9%
Daggett	460.74	456.69	-0.9%
Davis	349.8	344.63	-1.5%
Duchesne	460.74	456.69	-0.9%
Emery	460.74	456.69	-0.9%
Garfield	460.74	456.69	-0.9%
Grand	460.74	456.69	-0.9%
Iron	432.57	420.33	-2.8%
Juab	460.74	456.69	-0.9%
Kane	460.74	456.69	-0.9%
Millard	460.74	456.69	-0.9%
Morgan	417.44	411.28	-1.5%
Piute	460.74	456.69	-0.9%
Rich	430.56	418.37	-2.8%
Salt Lake	349.8	344.63	-1.5%
San Juan	460.74	456.69	-0.9%
Sanpete	460.74	456.69	-0.9%
Sevier	460.74	456.69	-0.9%
Summit	395.27	370.3	-6.3%
Tooele	395.27	346.04	-12.5%
Uintah	460.74	456.69	-0.9%
Utah	361.16	355.82	-1.5%
Wasatch	395.27	389.44	-1.5%
Washington	432.57	420.33	-2.8%
Wayne	460.74	456.69	-0.9%
Weber	381.04	363.96	-4.5%



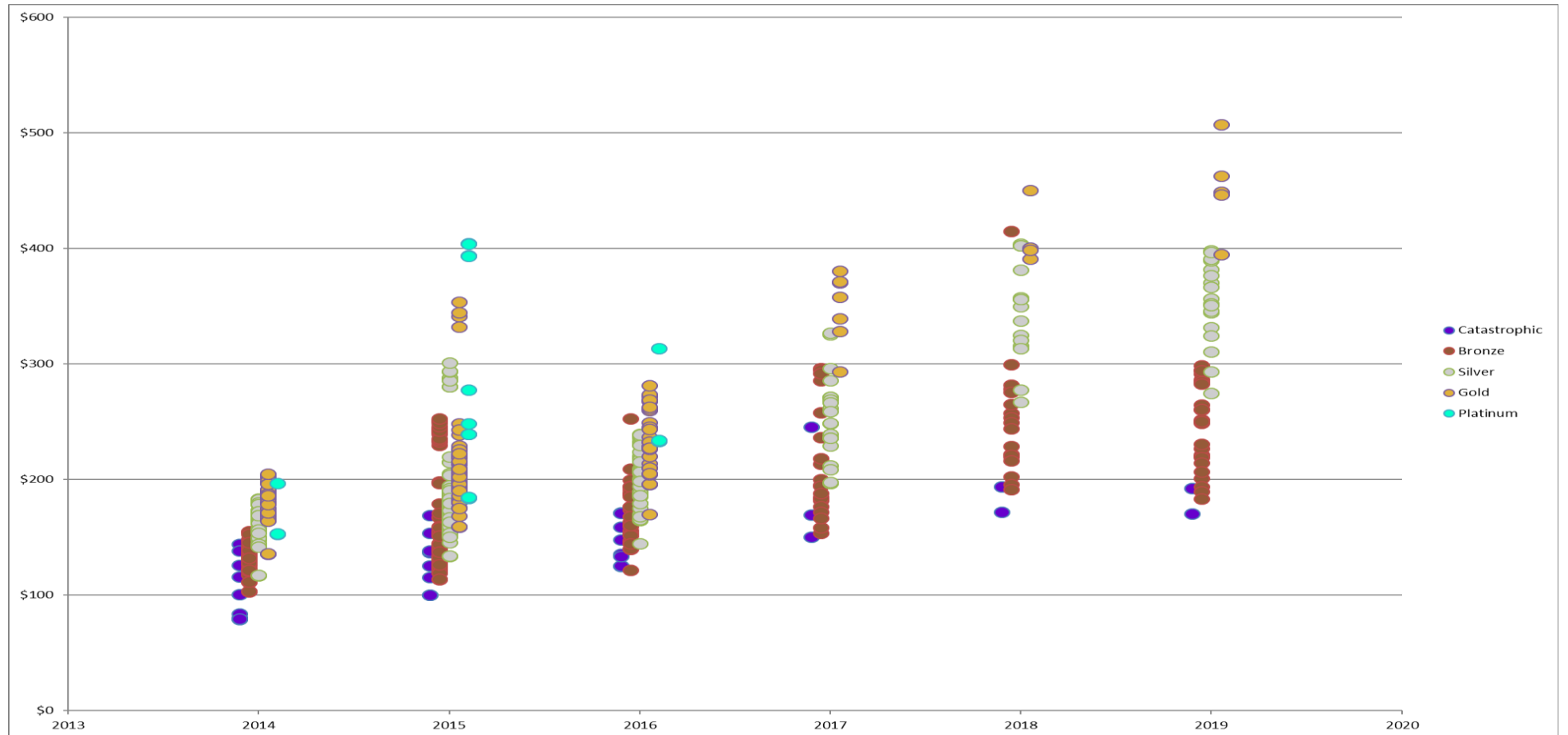
*2nd lowest silver in 2019 is approximate. For years 2019 and later, if a plan doesn't have embedded pediatric dental then you have to add in additional premium to account for the missing EHB. These figures don't take into account the additional pediatric dental premium that might apply.

Individual Market Loss Ratio Over Time

- Average increase 2017 = 30%
 - Expected it to bring 2017 loss ratio down close to 100% (which it did)
- Average increase 2018 = 39.6%
- Average increase 2019 = -1.5%

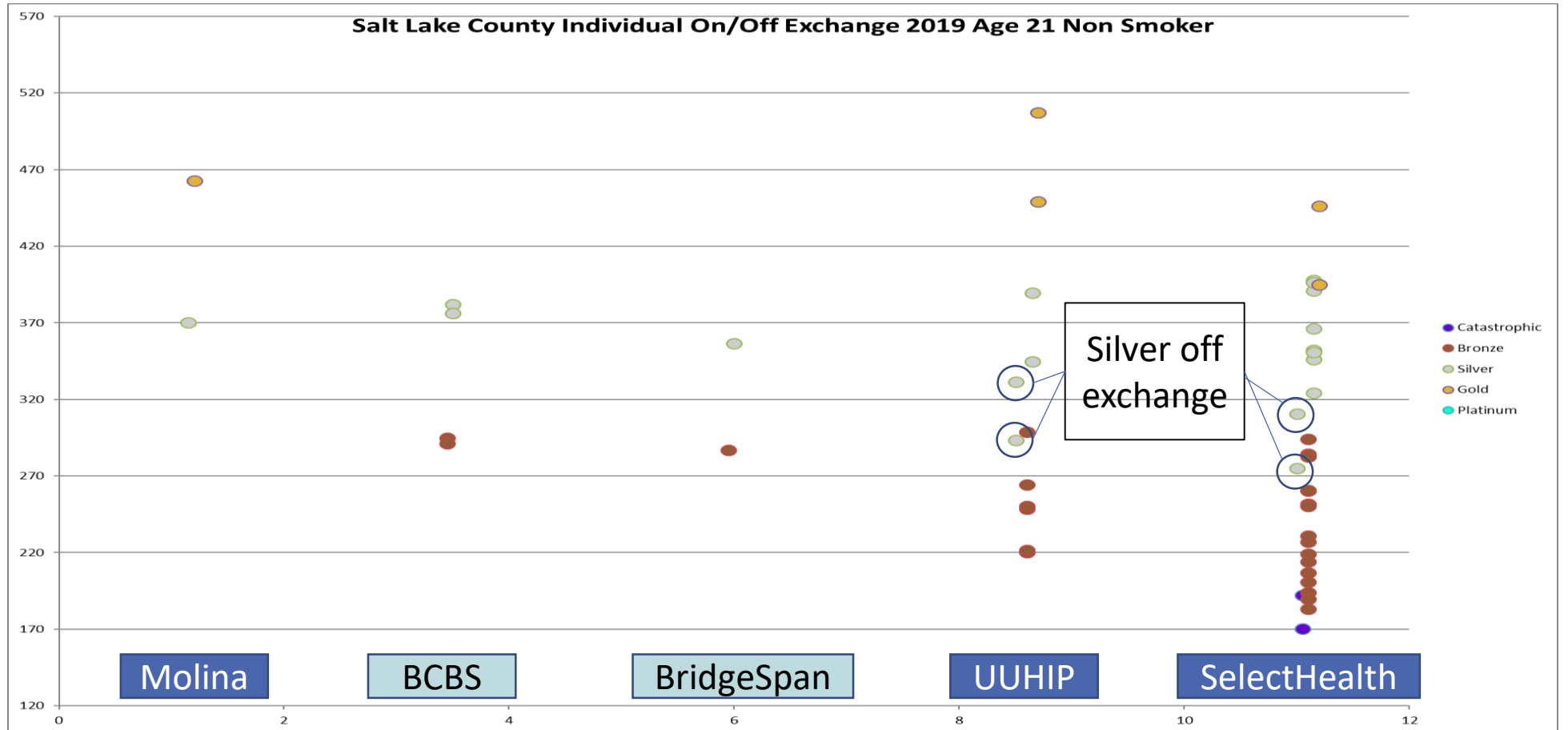
	2014	2015	2016	2017	All Years
Premiums (net of MLR rebates)	322M	508M	695M	821M	2,347M
Incurred Claims (net of Rx rebates)	441M	701M	858M	862M	2,861M
Federal Reinsurance	-80M	-77M	-39M	M	-196M
Member Months	1.6M	2.3M	2.7M	2.6M	9.2M
Premium PMPM	202.19	218.08	260.53	318.02	255.77
Incurred Claims PMPM	276.27	300.60	321.30	333.90	311.76
Raw Loss Ratio	137%	138%	123%	105%	122%
After Reinsurance Loss Ratio	112%	123%	118%	105%	114%

Individual Rates – by Year

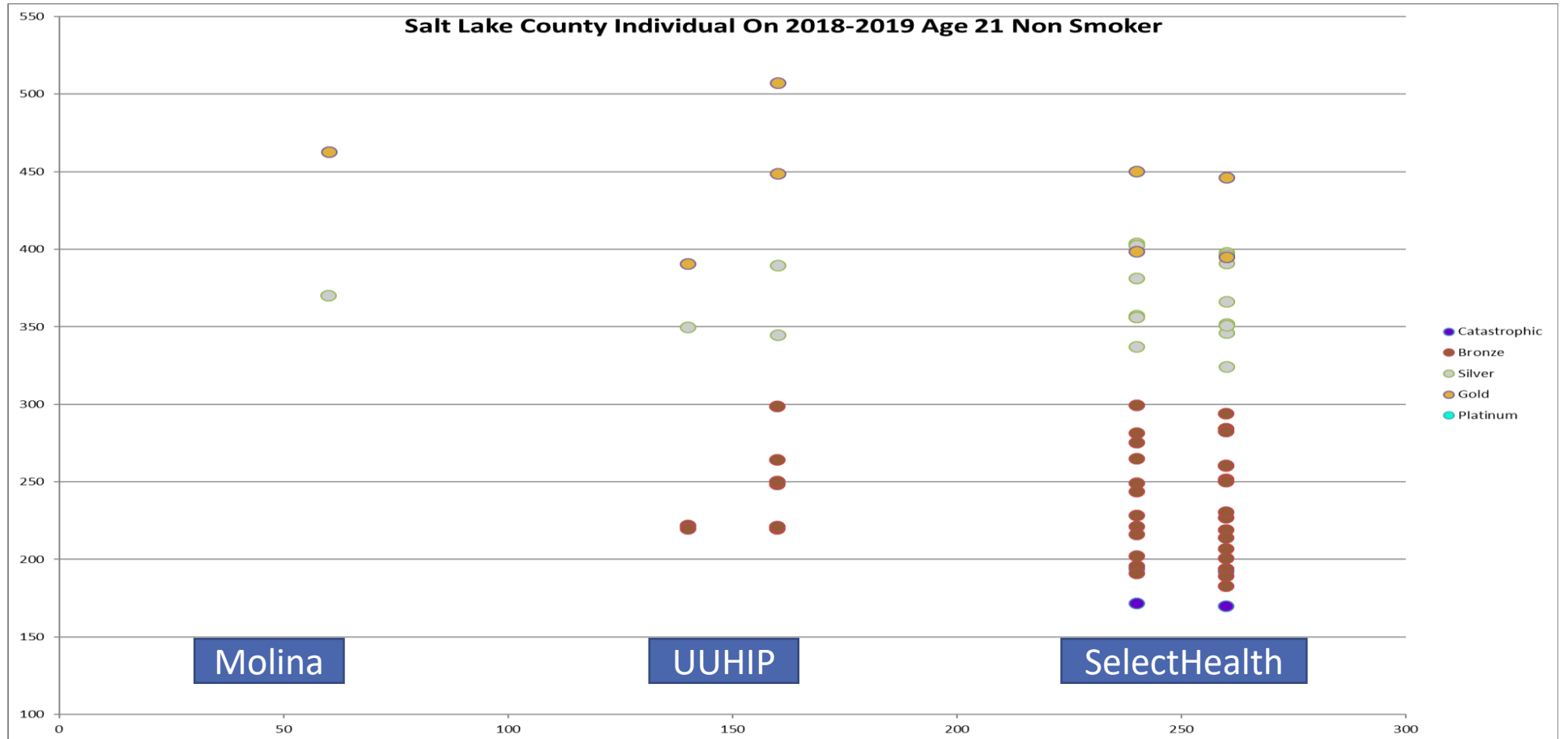


Salt Lake County, Age 21, Non-Smoker On & Off Exchange

2019 – Individual by Carrier



Individual On Exchange 2018 vs 2019

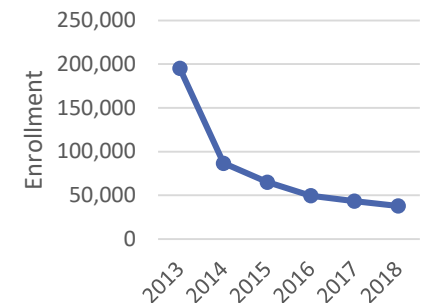


Enrollment: Small Group

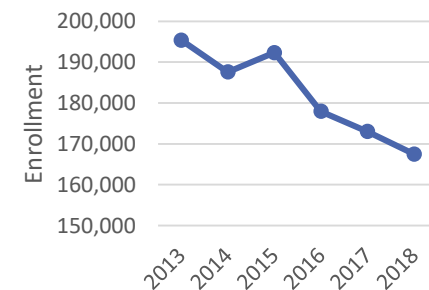
	Small Group Market					
	2013	2014	2015	2016	2017	2018
Grandfathered / Transitional						
Off-Exchange	187,127	84,221	62,848	47,708	41,552	37,186
Avenue H (SHOP)	8,271	2,567	2,396	1,888	1,794	694
Total Non-ACA	195,398	86,788	65,244	49,596	43,346	37,880
ACA Compliant Plans						
Off-Exchange	NA	92,364	114,545	116,123	120,732	126,517
Avenue H (SHOP)	NA	8,428	12,517	12,229	8,926	3,065
Total ACA Compliant	NA	100,792	127,062	128,352	129,658	129,582
Total	195,398	187,580	192,306	177,948	173,004	167,462
Increase Over Prior Year		-7,818	4,726	-14,358	-4,944	-5,542

23% of Small Group Market is Non-ACA

Small Group Non-ACA



Small Group Market



Stop Loss

Solid
GrowthAggressive
Pricing?

2014

Group Size	Company Count	Member Count	Direct Earned Premium	Market Share	Loss Ratio	Premium PMPM
Small Group (1-50)	10	1,741	\$2,500,037	2.14%	40.57	\$161
Large Group (51-100)	8	1,957	\$3,754,297	3.22%	43.14	\$212
Large Group (101+)	31	479,592	\$110,515,569	94.64%	64.31	\$20
Total Stop Loss	38	483,290	\$116,769,903	100.00%	63.12	\$21

2015

Group Size	Company Count	Member Count	Direct Earned Premium	Market Share	Loss Ratio	Premium PMPM
Small Group (1-50)	7	2,657	\$2,709,503	1.93%	49.57	\$125
Large Group (51-100)	12	4,644	\$6,932,444	4.95%	55.47	\$176
Large Group (101+)	34	461,459	\$130,428,970	93.12%	73.21	\$24
Total Stop Loss	41	468,760	\$140,070,917	100.00%	71.88	\$26

2016

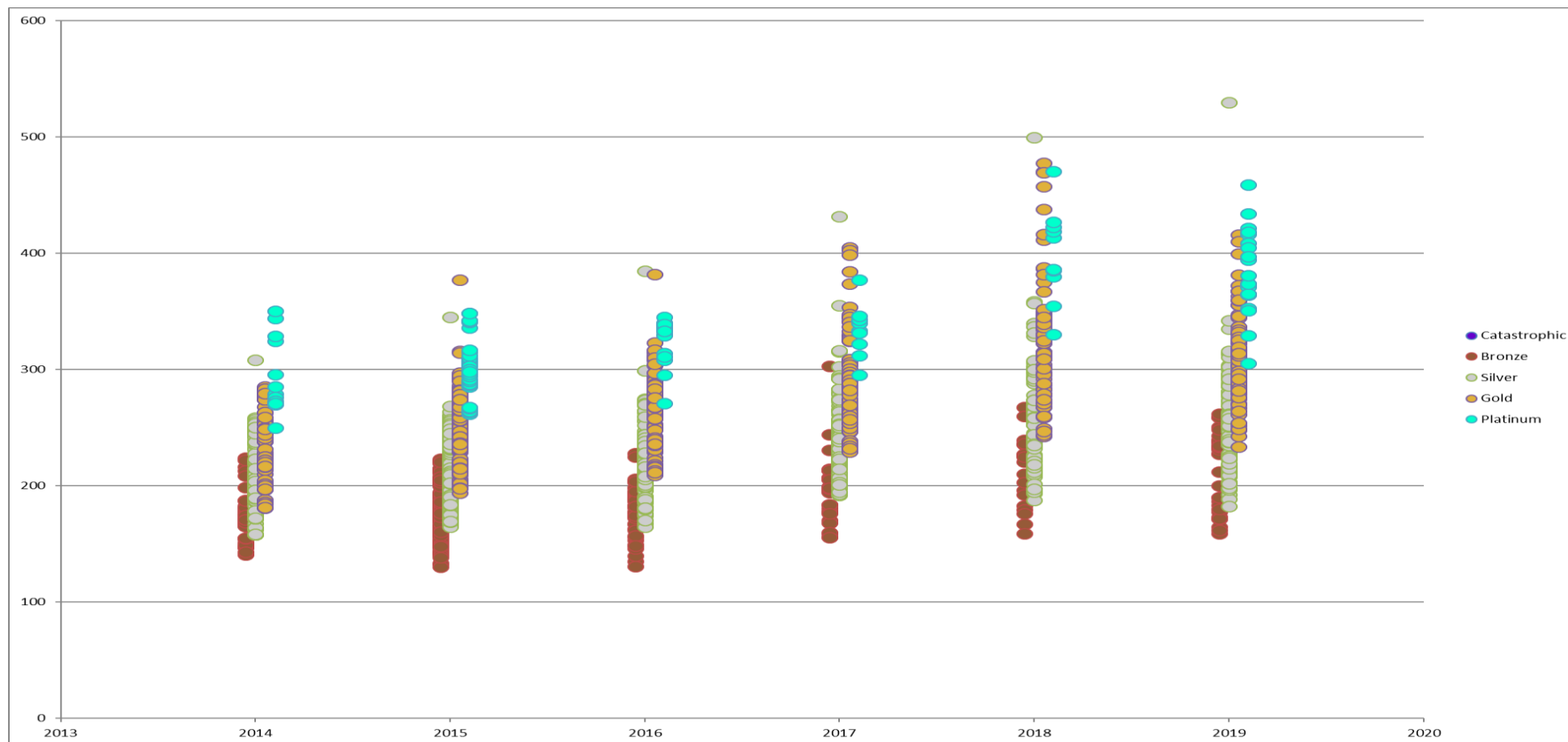
Group Size	Company Count	Member Count	Direct Earned Premium	Market Share	Loss Ratio	Premium PMPM
Small Group (1-50)	10	6,510	\$4,464,751	2.60%	105.82	\$59
Large Group (51-100)	16	17,197	\$12,132,738	7.06%	96.39	\$64
Large Group (101+)	37	583,351	\$155,264,581	90.34%	81.14	\$25
Total Stop Loss	44	607,058	\$171,862,070	100.00%	82.86	\$27

Small Group Loss Ratio Over Time

- Average increase 2017 = 9.7%
- Average increase 2018 = 9.9%
- Average increase 2019 = 0.0%

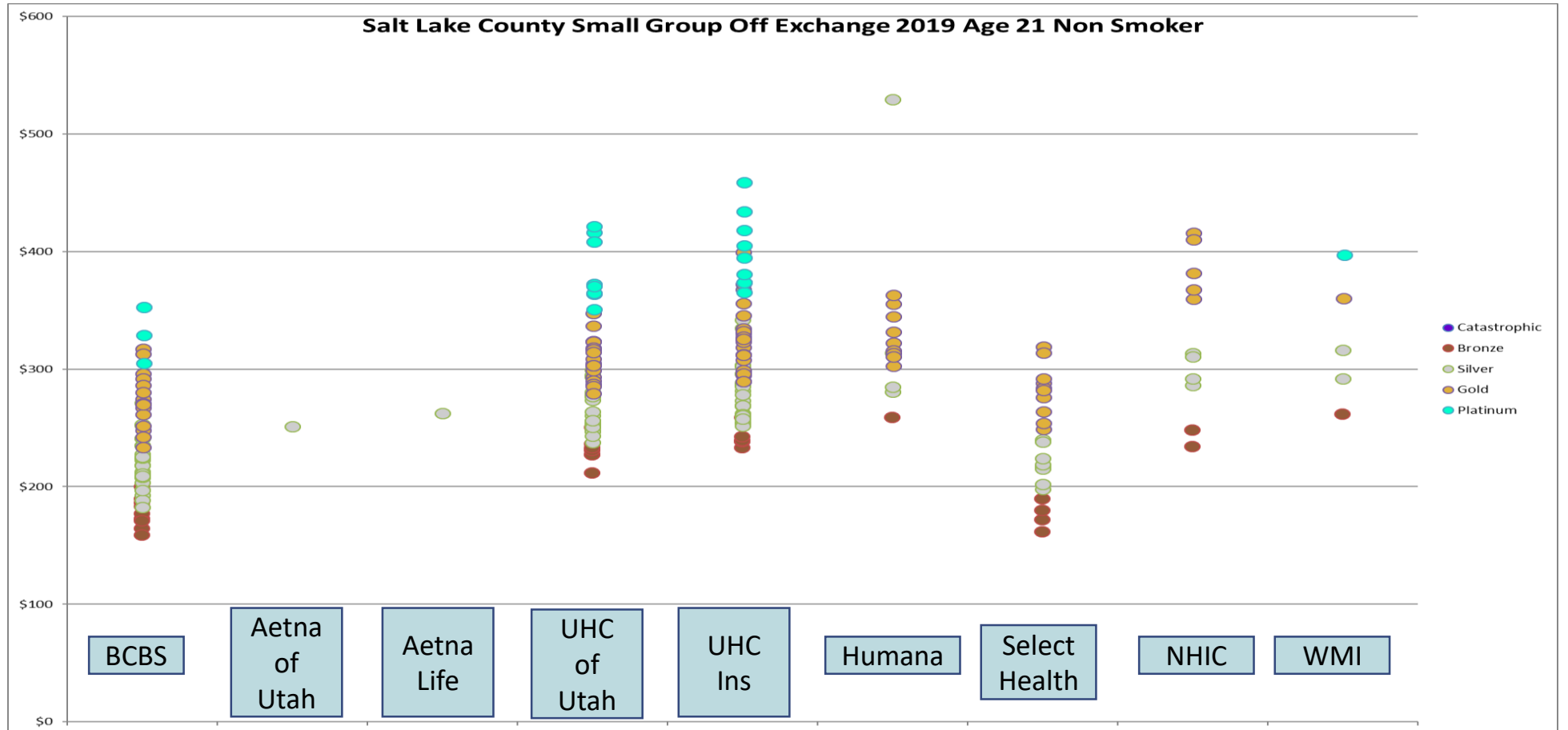
	2014	2015	2016	2017	All Years
Premiums (net of MLR rebates)	458M	564M	610M	606M	2,239M
Incurred Claims (net of Rx rebates)	390M	517M	540M	515M	1,962M
Member Months	1.7M	2.1M	2.1M	1.9M	7.7M
Premium PMPM	274.74	273.83	296.66	322.68	292.13
Incurred Claims PMPM	233.87	250.78	262.54	274.25	256.01
Raw Loss Ratio	85%	92%	88%	85%	88%
After Reinsurance Loss Ratio	85%	92%	88%	85%	88%

Small Group Rates – by Year

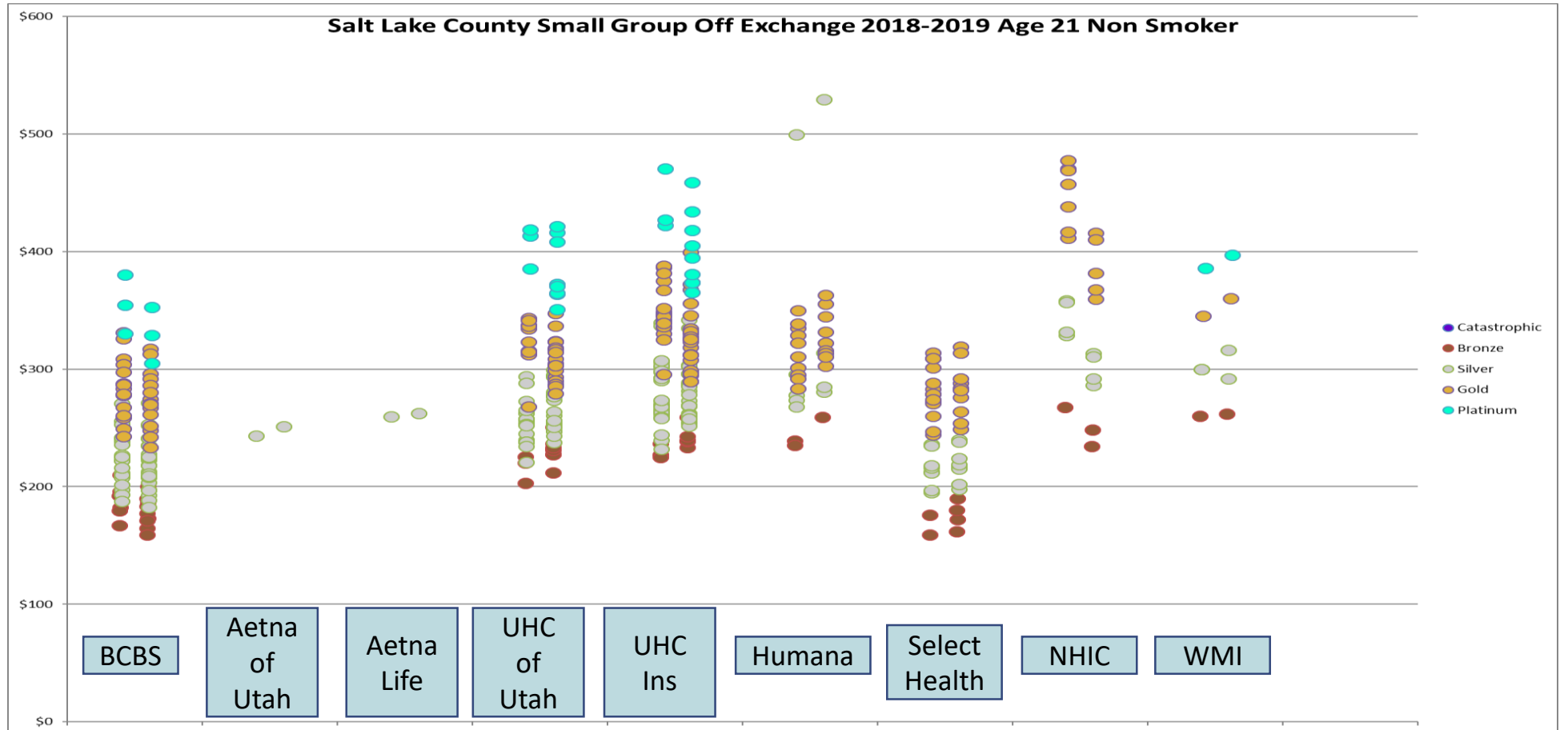


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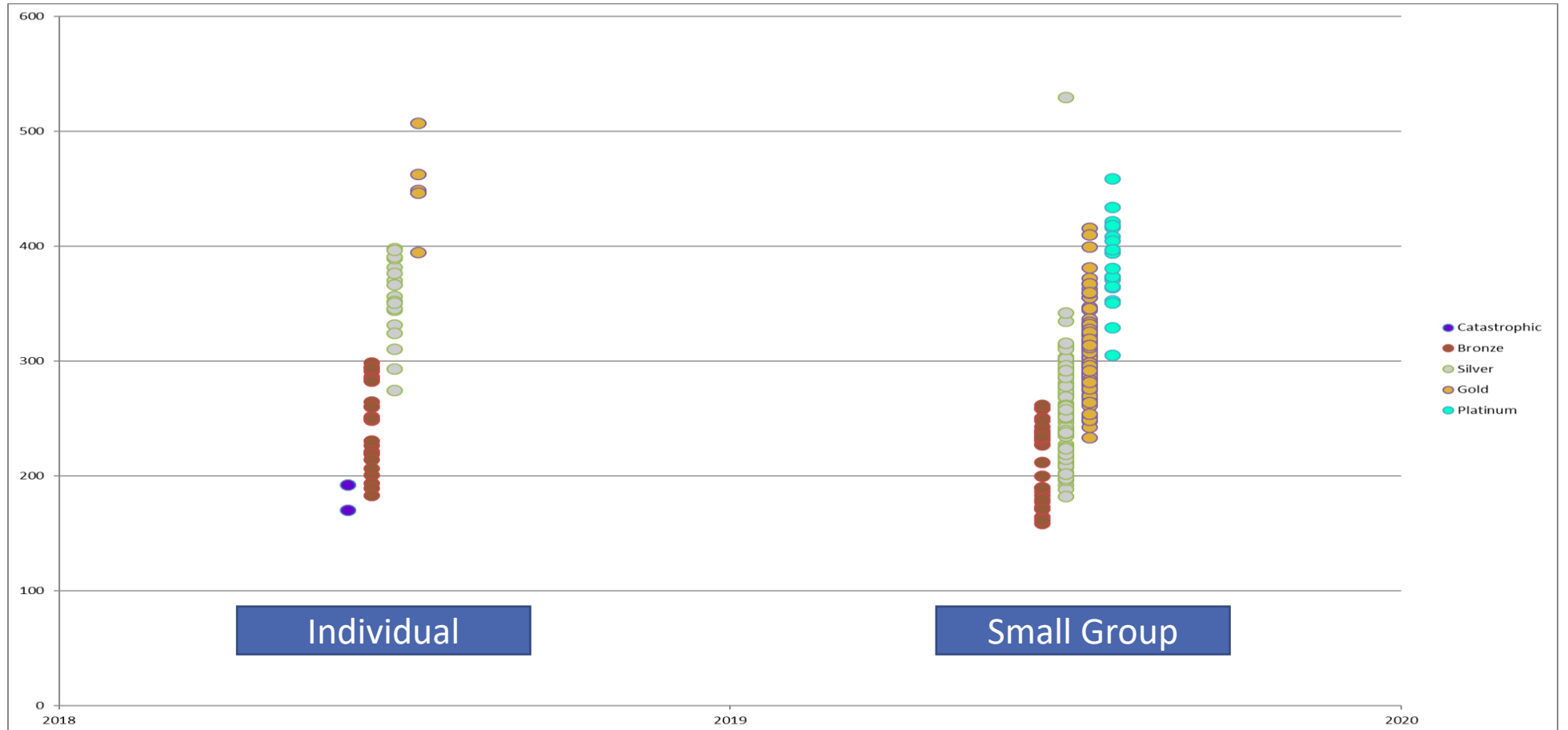
2019 – Small Group by Carrier



Small Group 2018 vs 2019

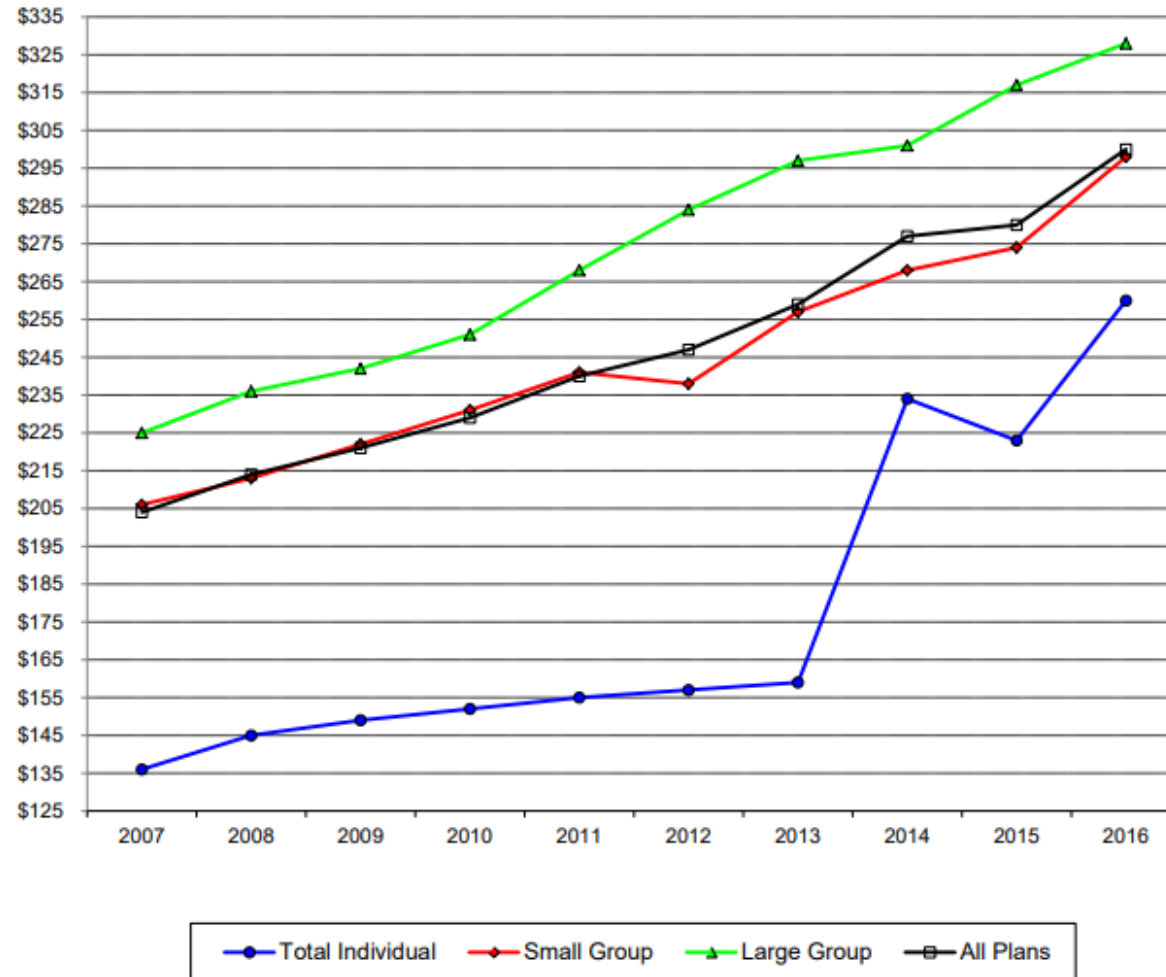


2019 – Individual vs Small Group



Comprehensive Coverage Comparison

Figure 2. Comprehensive Premium PMPM by Group Size: 2007 - 2016



Smooth sailing next year?



GO AGGIES!

UTAH STATE

You may think your ice cream creamery's cream is creamy, but I assure you the Aggie Ice Cream creamery's cream is creamier.



University	In-state tuition 2018
USU WINNER	\$7,200
U of U	\$8,900
BYU	\$5,500



NCAA football · 10/5



Utah State Aggies
(4 - 1)

45



20



BYU Cougars
(3 - 3)

Final



GO **Aggies!**

UTAH STATE

Olde saying:

“USU’s tuition may be higher than the Y’s, but an Aggie man can choose to grow a beard or show his thighs.”

